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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington D.C. 20549ANNUAL AUDITED REPORT
FORM X-17A-5
PART III

OMB APPROVAL

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8-13493

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 ThereunderREPORT FOR THE PERIOD BEGINNING 01/01/01 AND ENDING 12/31/01
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

THE FIRST WASHINGTON FINANCIAL CORPORATION

ADREDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

14800 HARVEST COURT

OFFICIAL USE ONLY

FIRM ID NO.

CENTERVILLE (No. and Street) VA 20120
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

JULIE E. GERL

(702) 222 - 4644

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this report*

KAISER, SCHERER & SCHLEGEL, PLLC

1899 L STREET, NW, SUITE 1100 (Name - if individual, state, last, first, middle name) WASHINGTON DC 20036
(Address) (City) (State) (Zip Code)

CHECK ONE:

- ☒ Certified Public Accountant
☐ Public Accountant
☐ Accountant not resident in United States or any of its possessions.

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PROCESSED

MAR 26 2002

THOMSON
FINANCIALClaims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must
be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).

SEC 1410 (3-91)

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3-22-02

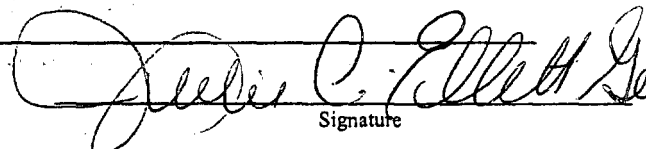
OATH OR AFFIRMATION

I, JULIE E. GERL, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedule pertaining to the firm of THE FIRST WASHINGTON FINANCIAL CORPORATION, as of DECEMBER 31, 20 01, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

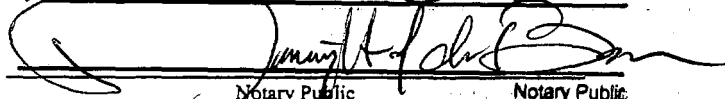
CERTIFICATE OF ACKNOWLEDGEMENT:
CITY/COUNTY OF Fairfax

COMMONWEALTH OF VIRGINIA

The foregoing instrument was acknowledged before me this 28th
day of February, 20 02
by Julie Ellett Gerl


Signature

PRESIDENT
Title


Notary Public

My commission expires June 30, 2004

This report** contains (check all applicable boxes):

- ☒ (a) Facing page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession of Control Requirements Under Rule 15c3-3.
- ☒ (j) A Reconciliation, including appropriate explanation, of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

KAISER SCHERER & SCHLEGEL, PLLC

Certified Public Accountants

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Suite 1100
Washington, D.C. 20036
Tel: 202-466-4656
Fax: 202-331-8342
E-mail: kss@kssacct.com

To the Shareholder
The First Washington Financial Corporation

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying statements of financial condition of **The First Washington Financial Corporation** as of December 31, 2001 and 2000 and the related statements of income, changes in shareholder's equity, and cash flows for the years then ended. These financial statements are the responsibility of **The First Washington Financial Corporation's** management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **The First Washington Financial Corporation** as of December 31, 2001 and 2000, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were made primarily for the purpose of forming an opinion on the financial statements taken as a whole. We also audited the supplementary schedules listed on Exhibit I by similar auditing procedures. In our opinion, these schedules are stated fairly in all material respects in relation to the financial statements taken as a whole. Although not necessary for a fair presentation of financial position, results of operations and changes in net assets and cash flows, this information is presented as additional data.

Kaiser Scherer & Schlegel, PLLC
February 25, 2002



The First Washington Financial Corporation

Statements of Financial Condition

<i>December 31,</i>	2001	2000
Assets		
Current Assets		
Cash	\$ 35,428	\$ 52,637
Receivables	2,910	923
Total current assets	38,338	53,560
Office equipment, net of accumulated depreciation of \$4,443 and \$3,012, respectively	1,797	3,228
Total assets	\$ 40,135	\$ 56,788
Liabilities and Shareholder's Equity		
Current Liabilities		
Accrued expenses	\$ 3,438	\$ 4,500
Other current liabilities	4,685	2,580
Taxes payable	392	2,379
Total current liabilities	8,515	9,459
Shareholder's equity		
Common stock	25,002	25,002
Retained earnings	6,618	22,327
Total shareholder's equity	31,620	47,329
Total liabilities and shareholder's equity	\$ 40,135	\$ 56,788

The accompanying notes are an integral part of these financial statements.